



Oregon

Theodore R. Kulongoski, Governor

Public Utility Commission

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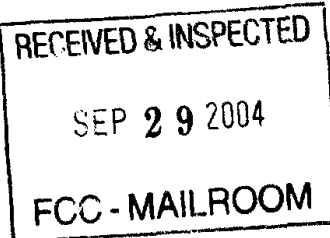
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503-373-7394

September 20, 2004



Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12TH Street SW
Washington DC 20554

RE: CC Docket No. 96-45
Annual State Certification of Eligible Telecommunications Carriers
Annual Analysis of Non-Rural ILEC Rates in Rural Service Areas

Enclosed is Order No. 04-532 of the Public Utility Commission of Oregon (OPUC) issued pursuant to the requirements of Federal Communications Commission (FCC) Order No. 01-157 in CC Docket No. 96-45 and FCC Order No. 03-249, also in CC Docket No. 96-45.

Pursuant to the requirements of FCC Order No. 01-157, Appendix A to OPUC Order No. 04-532 lists the eligible telecommunications carriers (ETCs) authorized to receive federal universal service fund (USF) high cost support in Oregon. Appendix B provides the affidavit that ETCs filed with the OPUC attesting to their use of federal USF high cost support.

Pursuant to the requirements of FCC Order No. 03-249, Appendix C to OPUC Order No. 04-432 summarizes the basic service rates charged by non-rural incumbent local exchange carriers (ILECs) in their rural Oregon service territories. Appendix D provides a detailed analysis of the individual rate elements included in these basic service rate.

Please address any questions to Dave Booth of the OPUC Staff at (503) 378-6635.

Phil Nyegaard
Utility Program Administrator
Telecommunications Division

Enclosure

cc: Irene Flannery
Universal Service Administrative Company
2120 L Street, NW – Suite 600
Washington, DC 20037

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Oregon Rural Local Exchange Carriers
RCC Minnesota, Inc.
United States Cellular Corporation, Inc.

ORDER NO. 04 532

ENTERED SEP 16 2004

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 873

RECEIVED & INSPECTED

SEP 29 2004

FCC - MAILROOM

In the Matter of)

ELIGIBLE TELECOMMUNICATIONS)
CARRIERS)

ORDER

Annual certification for continued eligibility to)
receive federal universal service fund high cost)
support pursuant to FCC Order No. 01-157;)
and annual certification of non-rural ILEC)
basic service rates pursuant to FCC Order)
No. 03-249.)

DISPOSITION: ELIGIBLE TELECOMMUNICATIONS CARRIERS
DESIGNATED TO RECEIVE FEDERAL UNIVERSAL
SERVICE HIGH COST FUND SUPPORT; AND

BASIC SERVICE RATES CHARGED BY NON-RURAL
LOCAL EXCHANGE CARRIERS IN RURAL AREAS
DEEMED COMPARABLE TO A NATIONAL URBAN
BENCHMARK

ELIGIBLE TELECOMMUNICATIONS CARRIERS

The Federal Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the Act), delegates authority to state commissions to designate the telecommunications carriers who are eligible to receive federal Universal Service Fund (USF) support. To qualify, a carrier must meet certain requirements. The requirements include offering services supported by the federal universal service support mechanisms and advertising the availability of those services in media of general distribution.

At the Public Utility Commission of Oregon's (Commission) December 2, 1997 Public Meeting, we designated 32 local exchange carriers (ILECs) as eligible for federal USF support. Our decision was memorialized in Order No. 97-481. On June 24, 2004, the Commission issued Order Nos. 04-355 and 04-356 which designated two Commercial Mobile Radio Service (CMRS) carriers as authorized to receive federal USF support.

On May 23, 2001, the Federal Communications Commission (FCC) released FCC Order No. 01-157.¹ Among other things, that order requires states to file annual certifications with the FCC certifying that the use of federal universal service funds is consistent with Section 254(e) of the Act. In order for rural ILECs, or other eligible telecommunications carriers (ETCs) operating in the service areas of rural ILECs, to continue to receive federal support after January 1, 2002, the FCC required that state certifications be submitted to the FCC and the Universal Service Administrative Company by October 1st of each year.

In compliance with the federal requirements, the Commission certified the eligibility of Oregon's rural local exchange companies at public meetings in 2001 (Order No. 01-819), 2002 (Order No. 02-605) and 2003 (Order No. 03-551). This Order addresses eligibility certification for 2004.

In response to requests from the Commission staff (Staff), 34 Oregon ETCs, including 32 rural telephone companies and two CMRS carriers, filed signed and sworn affidavits attesting to the use of federal USF support in compliance with the FCC rule. We addressed the certification matter at our Public Meeting on September 7, 2004, and adopted Staff's recommendation to certify the responding telecommunications carriers. The Staff Report, which includes a list of the 34 carriers, is attached to this order as Appendix A.

RURAL TO URBAN BASIC SERVICE RATE COMPARABILITY

On October 27, 2003, the FCC issued Order No. 03-249, which requires state public utility commissions to certify that the basic service rates charged by non-rural ILECs in their rural service areas are reasonably comparable to urban rates nationwide. This determination is made by comparing the basic service rates charged by non-rural ILECs in their rural service areas to a national average benchmark for urban basic service rates as calculated by the FCC.

In compliance with this federal requirement, Staff conducted an analysis of the basic service rates charged by Oregon's non-rural ILECS, Qwest and Verizon, in their rural service territories. Staff's analysis indicates that in many rural exchanges, Qwest and Verizon charge basic service rates below the current national average urban benchmark of \$24.75 per line per month as calculated by the FCC. In all cases, the basic service rates charged by Qwest and Verizon in rural exchanges are significantly below the FCC's current "safe harbor" rate of \$34.16 per line per month. We addressed the rural to urban basic service rate comparability matter at our Public Meeting on September 7, 2004, and adopted Staff's recommendation to certify that the basic service rates charged by Oregon's non-rural ILECs in their rural service areas are comparable to basic service rates charged in urban areas. Detailed information regarding the analysis of basic service rates as discussed in Staff's Report, are attached to this Order as Exhibits C and D.

¹ Page 1 and page 5 of the attached Staff Report incorrectly refer to "FCC Order No. 03-157." The appropriate reference is "FCC Order No. 01-157."

CONCLUSIONS

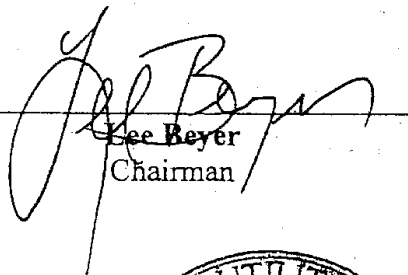
The rural telecommunications carriers, listed in Exhibit A of the Staff Report, are qualified for designation as telecommunications carriers eligible to receive federal universal service high cost support. The basic service rates charged by non-rural ILECs in their rural service areas are certified to be comparable to urban rates.

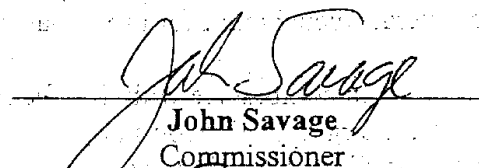
ORDER

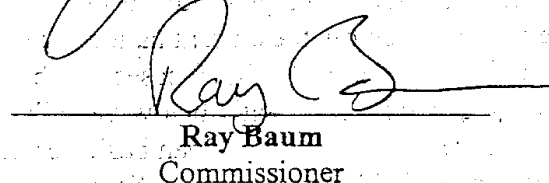
IT IS ORDERED that:

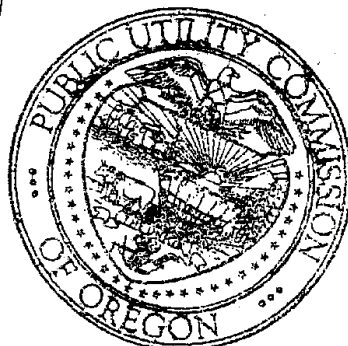
1. The rural telecommunications carriers, listed on Exhibit A of the Staff Report, are designated as telecommunications carriers eligible to receive federal universal service support pursuant to FCC Order No. 01-157; and
2. We certify that the basic service rates charged by non-rural ILECs in their rural service areas, as summarized in Exhibit C of the Staff Report, are reasonably comparable to urban basic service rates nationwide pursuant to FCC Order No. 03-249.

Made, entered, and effective SEP 16 2004


Lee Meyer
Chairman


John Savage
Commissioner


Ray Baum
Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to ORS 756.580.

ORDER NO. 04 532

ITEM NO. 2

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 7, 2004

REGULAR ☒ CONSENT ☐ EFFECTIVE DATE N/A

DATE: August 26, 2004

TO: Commissioners Lee Beyer, Ray Baum and John Savage

FROM: John Wright *AW*

THROUGH: *LB* Dave Booth, *PN* Phil Nyegaard and *LS* Lee Sparling

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 873) Annual certification for continued eligibility to receive federal universal service fund high cost support pursuant to FCC Order No. 01-157; and annual certification of non-rural ILEC basic service rates pursuant to FCC Order No. 03-249.

STAFF RECOMMENDATION:

Staff recommends that the Commission:

1. Certify that the rural incumbent local exchange carriers (rural ILECs) and the competitive eligible telecommunications carriers (CETCs), listed in Exhibit A to this report, are authorized to receive federal Universal Service Fund (USF) high cost support pursuant to Federal Communications Commission (FCC) Order No. 03-157; and
2. Certify that the basic service rates charged by non-rural ILECs in their rural service areas, as summarized in Exhibit C to this report, are reasonably comparable to urban basic service rates nationwide pursuant to FCC Order No. 03-249.

DISCUSSION:

A. Certification of Rural ILECs and CETCs

Section 214(e)(2) of the Telecommunications Act of 1996 (Act) authorizes state public utility commissions to designate telecommunications carriers eligible to receive federal USF high cost support. The Commission first exercised this authority in December 1997 when it designated Oregon's ILECs as eligible

telecommunications carriers (ETCs).¹ In June 2004, the Commission designated two wireless carriers operating in the service areas of rural ILECs as CETCs authorized to receive federal USF high cost support.²

In May 2001, the FCC issued Order No. 01-157 which requires state public utility commissions to annually certify that rural ILECs, and CETCs operating in the service areas of rural ILECs, are using their federal USF support in compliance with Section 254(e) of the Act.³ Pursuant to Section 254(e), federal USF high cost support shall be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended. The Commission must provide this annual certification to the FCC and the Universal Service Administrative Company (USAC) by October 1st of each year.

In Oregon and numerous other states, this annual certification is achieved by requiring the corporate officers of rural ILECs and CETCs to provide a sworn affidavit attesting to their use of federal USF high cost funds. A sample affidavit of the type used for the 2004 certification process is attached as Exhibit B to this report. The Commission used this process to certify the eligibility of Oregon's rural ILECs in 2001, 2002 and 2003.⁴ Staff seeks for the Commission to once again certify eligibility for 2004, this time with the inclusion of CETCs in addition to the rural ILECs. It should be noted that commencing in 2005, these CETCs, RCC Minnesota, Inc., and United States Cellular Corporation, will be required to file extensive documentation regarding their federal USF high cost support in addition to an affidavit, as part of the annual re-certification process.⁵

On July 16, 2004, Staff mailed an affidavit to each of the rural ILECs and CETCs listed in Exhibit A. Each responded with a signed and notarized affidavit which will be added to the record in this docket. Based on these affidavits, and because the continued receipt of federal USF high cost support is vital to maintaining reasonable basic service rates in the service areas of rural ILECs,⁶

¹ See Order No. 97-481, Docket UM 873.

² See Order No. 04-355 in Docket UM 1083 and Order No. 04-356 in Docket UM 1084.

³ See Order No. 01-157, paragraph 192 and CFR §54.314.

⁴ See PUC Orders 01-819, 02-605 and 03-551 in Docket UM 873

⁵ See Order No. 04-355, pages 16-17, in Docket UM 1083 and Order No. 04-356, pages 16-17, in UM 1084.

⁶ On a per line per month basis, Oregon's rural ILECs received an average of \$47.00 per month from federal USF high cost support programs in 2004. Federal USF high cost support programs are: high cost loop support; local switching support; long-term support; interstate access support; and interstate common line support.

Staff recommends the Commission certify the eligibility of the rural ILECs and the CETCs listed in Exhibit A.

B. Certification of Non-Rural ILEC Rates in Rural Service Areas

In October 2003, the FCC issued Order No. 03-249 which requires state public utility commissions to certify that the basic service rates charged by non-rural ILECs in their rural service areas are reasonably comparable to urban rates nationwide. This determination is made by comparing the basic service rates charged by non-rural ILECs in their rural service areas to a national average benchmark for urban basic service rates as calculated by the FCC. For purposes of this comparison, the FCC has specified a "safe harbor" mechanism which allows non-rural basic service rates to be presumed reasonable if they are less than two standard deviations above the national average urban benchmark.⁷ For example, the FCC's most recently calculated national average rate for basic service in urban areas is \$24.75.⁸ The rate two standard deviations above this benchmark is \$34.16. States whose non-rural ILECs charge rates below \$34.16 in their rural service areas are presumed to have basic service rates reasonably comparable to those charged in urban areas. States with non-rural ILEC rates more than \$34.16 in rural areas must explain to the FCC why such rural and urban rate differentials are reasonable.

Failure to provide this annual certification to the FCC and USAC by October 1st of each year will prevent any ETC in Oregon from receiving federal USF support. The FCC adopted this requirement to insure that federal and state universal service funding mechanisms are sufficient to meet the objectives of Section 254(b) of the Act which provides that consumers in rural, insular and high cost areas should have access to telecommunications services at rates that are "reasonably comparable" to rates charged for similar services in urban areas.⁹

Qwest and Verizon are the only two non-rural ILECs in the state of Oregon. As is the case with non-rural ILECs in 40 of the 50 states, neither company receives federal USF high cost fund support despite the fact that they both provide service in high cost rural areas throughout their respective service territories. Hence the existence of the Oregon Universal Service Fund (OUSF), which was designed to

⁷ See Order No. 03-249, paragraphs 38, 70 and 81.

⁸ The FCC annually calculates this national average benchmark in a publication entitled, "Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service".

⁹ See Order No. 03-249, paragraph 5.

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achieve the comparability between rural and urban rates mandated by Section 254(b) of the Act.¹⁰ Because they receive no federal USF high cost fund support, the OUSF currently distributes approximately \$3.7 million per month to subsidize the basic service rates of Qwest and Verizon in their high cost rural service territories.

Exhibit C to this report summarizes the basic service rates charged by Qwest and Verizon in each rural Oregon county where they provide service.¹¹ Exhibits D and E to this report provide a detail of the individual rate elements summarized in Exhibit C. Pursuant to the methodology used by the FCC to calculate the national urban benchmark of the \$24.75, the basic service rates calculated for Qwest and Verizon for this analysis include the following charges:

- + Charge for basic flat rate service
 - + Charge for extended area service
 - + Federal Subscriber Line Charge
 - + Oregon Residential Service Protection Fund surcharge
 - + E911 surcharge
 - + City and county franchises fees and/or miscellaneous taxes¹²
 - + Oregon PUC fee assessment
 - + Oregon Universal Service Fund surcharge
 - + Federal Excise Tax
 - + Federal Universal Service Fund Surcharge
- Monthly Rate for Basic Service

As illustrated in Exhibit C, Qwest basic service rates in rural Oregon counties range from \$23.69 to \$26.70 per month. Verizon basic service rates in rural Oregon counties range from \$22.36 to \$27.84. All of these basic service rates are significantly below the safe harbor threshold of \$34.16 set by the FCC and many are below the national average urban benchmark of \$24.75. Therefore,

¹⁰ The FCC's regulations concerning whether an ILEC is considered to be "rural" or "non-rural" are somewhat arcane. Basically, an ILEC is considered to be a rural company if it serves less than 100,000 access lines in a single study area. By default, Qwest and Verizon are the only non-rural ILECs in Oregon.

¹¹ The FCC requires state commissions to follow guidelines issued by the federal Office of Management and Budget (OMB) which publishes, and routinely updates, a list of metropolitan statistical areas in the United States. Pursuant to the OMB's methodology, any county which does not include a metropolitan statistical area is considered to be rural. Under this definition, only 10 of Oregon's 36 counties are considered to be non-rural.

¹² In order to avoid unnecessarily complex cost allocations, franchise fees and/or miscellaneous taxes charged municipalities in rural counties are assumed to apply throughout the entire county. That is, they are assumed to be charged to basic service customers even in areas outside municipal boundaries.

pursuant to FCC Order No. 03-249, they are presumed reasonably comparable to urban basic service rates nationwide and the Commission is not required to provide any additional explanations or analysis to the FCC or USAC.

PROPOSED COMMISSION MOTION:

An order be prepared in Docket UM 873, certifying that:

1. The rural ILECs and CETCs listed in Exhibit A are authorized to receive federal universal service high cost support pursuant to FCC Order No. 03-157; and
2. The basic service rates charged by Oregon's non-rural ILECs in their rural service areas are reasonably comparable to urban basic service rates nationwide pursuant to FCC Order No. 03-249.

UM 873 - 2004 Federal USF Certification.doc

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Exhibit A

Eligible Telecommunications Carriers (Oregon Rural ILECs and CETCs)
Certified to Receive Federal Universal Service Fund High Cost Support

Company	USAC Study Area Code
1 Asotin Telephone Company	532404
2 Beaver Creek Cooperative Telephone Co.	532359
3 Canby Telephone Association	532362
4 Cascade Utilities, Inc.	532371
5 CenturyTel of Oregon, Inc.	532361
6 CenturyTel of Eastern Oregon, Inc.	532361
7 Citizens Telephone Co. of Oregon, Inc.	533401
8 Clear Creek Mutual Telephone Company	532363
9 Colton Telephone Company	532364
10 Eagle Telephone System, Inc.	532369
11 Gervais Telephone Co.	532373
12 Helix Telephone Company	532376
13 Home Telephone Company	532377
14 Malheur Home Telephone Company	532456
15 Midvale Telephone Exchange Inc.	532226
16 Molalla Communications Company	532383
17 Monitor Cooperative Telephone Company	532384
18 Monroe Telephone Company	532385
19 Mt. Angel Telephone Company	532386
20 Nehalem Telecommunications, Inc.	532387
21 North-State Telephone Company	532388
22 Oregon-Idaho Utilities, Inc.	532390
23 Oregon Telephone Corporation	532389
24 People's Telephone Company	532391
25 Pine Telephone System, Inc.	532392
26 Pioneer Telephone Cooperative	532393
27 Roome Telecommunications, Inc.	532375
28 Scio Mutual Telephone Association	532397
29 Stayton Cooperative Telephone Company	532399
30 United Telephone Co. of the Northwest	532400
31 St. Paul Cooperative Telephone Association	532396
32 Trans-Cascades Telephone Company	532378
33 RCC Minnesota Inc.	539001
34 United States Cellular Corporation	539002

Exhibit B
AFFIDAVIT CERTIFYING USE OF
UNIVERSAL SERVICE FUNDS

I, _____, being of lawful age and duly sworn, on my oath, state that I am the _____ [an officer] of _____ ("Company") and that I am authorized to execute this Affidavit on behalf of the Company, and the facts set forth in this Affidavit are true to the best of my knowledge, information and belief. Pursuant to the rules of the Federal Communications Commission, 47 C.F.R. §54.314, there must be an annual certification that funds received under the federal Universal Service Fund programs will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended. The Company hereby certifies to the Public Utility Commission of Oregon that pursuant to 47 C.F.R. § 54.7, and for purposes of the certification required under 47 C.F.R. § 54.314, the Company will use all federal high-cost support provided to it only for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with the principles of universal service set forth in 47 U.S.C. 254. This includes, but is not limited to, trying to meet the goal of the provision of services that are properly supported by the high-cost funds at rates that are reasonably comparable to rates charged for similar services in urban areas.

DATED this _____ day of _____, 2004.

(Company)

By: _____ (Name)

Its: _____ (Title)

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2004.

Notary Public in and for the State of Oregon

My Commission Expires: _____

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Exhibit C
Summary of Non-Rural ILEC Basic Service Rates in Rural Oregon Counties

Qwest Exchange	Rural County	Monthly Rate	Verizon Exchange	Rural County	Monthly Rate
Baker City	Baker	\$ 24.07	Bandon	Coos	\$ 27.84
Sumpter	Baker	\$ 24.07	Coos Bay-N. Bend	Coos	\$ 24.76
Astoria	Clatsop	\$ 24.07	Coquille	Coos	\$ 27.84
Cannon Beach	Clatsop	\$ 25.20	Lakeside	Coos	\$ 27.84
Seaside	Clatsop	\$ 24.07	Myrtle Point	Coos	\$ 27.84
Warrenton	Clatsop	\$ 24.07	Powers	Coos	\$ 27.84
Westport	Clatsop	\$ 26.32	Brookings	Curry	\$ 22.36
Prineville	Crook	\$ 26.02	Gold Beach	Curry	\$ 22.36
Oakland-Sutherlin	Douglas	\$ 25.20	Langlois	Curry	\$ 23.66
Roseburg	Douglas	\$ 25.20	Port Orford	Curry	\$ 23.66
Camp Sherman	Jefferson	\$ 26.70	Reedsport	Douglas	\$ 23.28
Culver	Jefferson	\$ 25.60	Murphy-Provolt	Josephine	\$ 27.47
Madras	Jefferson	\$ 25.60	Mill City	Linn	\$ 27.71
Grants Pass	Josephine	\$ 24.07	Cove	Union	\$ 24.76
Klamath Falls	Klamath	\$ 24.07	Elgin	Union	\$ 24.76
Newport	Lincoln	\$ 23.69	Imbler	Union	\$ 24.76
Siletz	Lincoln	\$ 25.88	La Grande	Union	\$ 23.72
Toledo	Lincoln	\$ 24.78	Union	Union	\$ 24.76
Albany	Linn	\$ 24.89	Enterprise	Wallowa	\$ 23.66
Harrisburg	Linn	\$ 26.02	Joseph	Wallowa	\$ 23.66
Athena-Weston	Umatilla	\$ 26.32	Lostine	Wallowa	\$ 23.66
Hermiston	Umatilla	\$ 24.07	Wallowa	Wallowa	\$ 23.66
Milton Freewater	Umatilla	\$ 25.20			
Pendleton	Umatilla	\$ 24.07			
Stanfield	Umatilla	\$ 25.20			
Umatilla	Umatilla	\$ 25.20			
Walla Walla	Umatilla	\$ 25.20			

Exhibit D
Detail of Qwest Basic Service Rates in Rural Oregon Counties

Qwest Exchange	Rural County	Rate Grp.	EAS Band	Base Rate	EAS Chrg	Fed SLC	Fed LNP	OR RSRF	OR E911	Franchise Fees & M. Taxes	PUC Fee	OUSF @ 6.5%	Fed Excise Tax @ 3.0%	Fed USF @ 9.0%	Total
Baker City	Baker	1	A	12.80	1.28	6.50	0.00	0.13	0.75	0.38	0.11	0.92	0.62	0.59	24.07
Sumpter	Baker	1	A	12.80	1.28	6.50	0.00	0.13	0.75	0.38	0.11	0.92	0.62	0.59	24.07
Astoria	Clatsop	1	A	12.80	1.28	6.50	0.00	0.13	0.75	0.38	0.11	0.92	0.62	0.59	24.07
Cannon Beach	Clatsop	2	A	13.80	1.28	6.50	0.00	0.13	0.75	0.41	0.11	0.98	0.65	0.59	25.20
Seaside	Clatsop	1	A	12.80	1.28	6.50	0.00	0.13	0.75	0.38	0.11	0.92	0.62	0.59	24.07
Warrenton	Clatsop	1	A	12.80	1.28	6.50	0.00	0.13	0.75	0.38	0.11	0.92	0.62	0.59	24.07
Westport	Clatsop	3	A	14.80	1.28	6.50	0.00	0.13	0.75	0.44	0.11	1.05	0.68	0.59	26.32
Prineville	Crook	2	B	13.80	2.03	6.50	0.00	0.13	0.75	0.41	0.11	1.03	0.67	0.59	26.02
Oakland-Sutherlin	Douglas	2	A	13.80	1.28	6.50	0.00	0.13	0.75	0.41	0.11	0.98	0.65	0.59	25.20
Roseburg	Douglas	2	A	13.80	1.28	6.50	0.00	0.13	0.75	0.41	0.11	0.98	0.65	0.59	25.20
Camp Sherman	Jefferson	3	B	14.80	2.03	6.50	0.00	0.13	0.75	0.00	0.11	1.09	0.70	0.59	26.70
Culver	Jefferson	2	B	13.80	2.03	6.50	0.00	0.13	0.75	0.00	0.11	1.03	0.67	0.59	25.60
Madras	Jefferson	2	B	13.80	2.03	6.50	0.00	0.13	0.75	0.00	0.11	1.03	0.67	0.59	25.60
Grants Pass	Josephine	1	A	12.80	1.28	6.50	0.00	0.13	0.75	0.38	0.11	0.92	0.62	0.59	24.07
Klamath Falls	Klamath	1	A	12.80	1.28	6.50	0.00	0.13	0.75	0.38	0.11	0.92	0.62	0.59	24.07
Newport	Lincoln	1	A	12.80	1.28	6.50	0.00	0.13	0.75	0.00	0.11	0.92	0.62	0.59	23.69
Siletz	Lincoln	3	A	14.80	1.28	6.50	0.00	0.13	0.75	0.00	0.11	1.05	0.68	0.59	25.88
Toledo	Lincoln	2	A	13.80	1.28	6.50	0.00	0.13	0.75	0.00	0.11	0.98	0.65	0.59	24.78
Albany	Linn	1	B	12.80	2.03	6.50	0.00	0.13	0.75	0.38	0.11	0.96	0.64	0.59	24.89
Harrisburg	Linn	2	B	13.80	2.03	6.50	0.00	0.13	0.75	0.41	0.11	1.03	0.67	0.59	26.02
Athena-Weston	Umatilla	3	A	14.80	1.28	6.50	0.00	0.13	0.75	0.44	0.11	1.05	0.68	0.59	26.32
Hermiston	Umatilla	1	A	12.80	1.28	6.50	0.00	0.13	0.75	0.38	0.11	0.92	0.62	0.59	24.07
Milton Freewater	Umatilla	2	A	13.80	1.28	6.50	0.00	0.13	0.75	0.41	0.11	0.98	0.65	0.59	25.20
Pendleton	Umatilla	1	A	12.80	1.28	6.50	0.00	0.13	0.75	0.38	0.11	0.92	0.62	0.59	24.07
Stanfield	Umatilla	2	A	13.80	1.28	6.50	0.00	0.13	0.75	0.41	0.11	0.98	0.65	0.59	25.20
Umatilla	Umatilla	2	A	13.80	1.28	6.50	0.00	0.13	0.75	0.41	0.11	0.98	0.65	0.59	25.20
Walla Walla	Umatilla	2	A	13.80	1.28	6.50	0.00	0.13	0.75	0.41	0.11	0.98	0.65	0.59	25.20

Exhibit E
Detail of Verizon Rates in Rural Oregon Counties

Verizon Exchange	Rural County	EAS Band	Base Rate	EAS Chrg	Fed SLC	Fed LNP	OR RSPP	OR Eqtl	Franchise Fees & M Taxes	PUC Fee	OUSF @ 6.5%	Fed Excise Tax @ 3.0%	Fed USF @ 9.0%	Total
Bandon	Coos	III	12.59	5.00	6.50	0.00	0.13	0.75	0.38	0.04	1.14	0.72	0.59	27.84
Coos Bay-N. Bend	Coos	II	12.59	2.19	6.50	0.00	0.13	0.75	0.38	0.04	0.96	0.64	0.59	24.76
Coquille	Coos	III	12.59	5.00	6.50	0.00	0.13	0.75	0.38	0.04	1.14	0.72	0.59	27.84
Lakeside	Coos	III	12.59	5.00	6.50	0.00	0.13	0.75	0.38	0.04	1.14	0.72	0.59	27.84
Myrtle Point	Coos	III	12.59	5.00	6.50	0.00	0.13	0.75	0.38	0.04	1.14	0.72	0.59	27.84
Powers	Coos	III	12.59	5.00	6.50	0.00	0.13	0.75	0.38	0.04	1.14	0.72	0.59	27.84
Brookings	Curry		12.59	0.00	6.50	0.00	0.13	0.75	0.38	0.03	0.82	0.57	0.59	22.36
Gold Beach	Curry		12.59	0.00	6.50	0.00	0.13	0.75	0.38	0.03	0.82	0.57	0.59	22.36
Langlois	Curry	I	12.59	1.19	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.66
Port Orford	Curry	I	12.59	1.19	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.66
Reedsport	Douglas	I	12.59	1.19	6.50	0.00	0.13	0.75	0.00	0.03	0.90	0.61	0.59	23.28
Murphy-Provoit	Josephine	III	12.59	5.00	6.50	0.00	0.13	0.75	0.00	0.04	1.14	0.72	0.59	27.47
Mill City	Linn	IV	12.59	5.22	6.50	0.00	0.13	0.75	0.00	0.04	1.16	0.73	0.59	27.71
Cove	Union	II	12.59	2.19	6.50	0.00	0.13	0.75	0.38	0.04	0.96	0.64	0.59	24.76
Elgin	Union	II	12.59	2.19	6.50	0.00	0.13	0.75	0.38	0.04	0.96	0.64	0.59	24.76
Imbler	Union	II	12.59	2.19	6.50	0.00	0.13	0.75	0.38	0.04	0.96	0.64	0.59	24.76
La Grande	Union	I _p	12.59	1.24	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.72
Union	Union	II	12.59	2.19	6.50	0.00	0.13	0.75	0.38	0.04	0.96	0.64	0.59	24.76
Enterprise	Wallowa	I	12.59	1.19	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.66
Joseph	Wallowa	I	12.59	1.19	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.66
Lostine	Wallowa	I	12.59	1.19	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.66
Wallowa	Wallowa	I	12.59	1.19	6.50	0.00	0.13	0.75	0.38	0.03	0.90	0.61	0.59	23.66